

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 62nd LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON TAXATION**

**Call to Order:** Chair Mark Blasdel, on April 5, 2011 at 8:00 AM, in Room 152 Capitol

#### **ROLL CALL**

##### **Members Present:**

Rep. Mark Blasdel, Chairman (R)  
Rep. Dick Barrett, Vice Chairman (D)  
Rep. Steve Fitzpatrick (R)  
Rep. Kelly Flynn (R)  
Rep. Brian Hoven (R)  
Rep. Austin Knudsen (R)  
Rep. Steve Lavin (R)  
Rep. Sue Malek (D)  
Rep. Edith (Edie) McClafferty (D)  
Rep. Mary McNally (D)  
Rep. Jerry O'Neil (R)  
Rep. Mike Phillips (D)  
Rep. Lee Randall (R)  
Rep. Max Yates (R)

**Members Excused:** Rep. Mike Miller, Vice Chairman (R)

**Members Absent:** Rep. Alan Hale (R)  
Rep. Wayne Stahl (R)  
Rep. Janna Taylor (R)  
Rep. Kathleen Williams (D)

**Staff Present:** Lisa Adams, Committee Secretary  
Jeff Martin, Legislative Branch

**Audio Committees:** These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

##### **Committee Business Summary:**

Hearing & Date Posted: SB 358, 4/1/2011; SB 406, 4/1/2011; SJ 17, 4/1/2011

Executive Action: SB 295; SB 371; SB 372

00:00:39 Rep. Williams arrived.

**HEARING ON SB 406**

**Opening Statement by Sponsor:**

00:00:57 Sen. Jeff Essmann (R), SD 28, opened the hearing on SB 406, Central assessment mediation instead of dispute review or tax appeal board.

00:02:09 Rep. Taylor arrived.

**Proponents' Testimony:**

00:08:31 Nancy Schlepp, Montana Taxpayers Association

00:10:34 Tom Ebzery, Attorney, Puget, Portland General Electric, PacifiCorp, and Avista

00:11:44 Rep. Stahl arrived.

00:14:33 David Gibson, Century Link

00:16:11 Aimee Grmoljez, Verizon Wireless

**Opponents' Testimony:**

00:17:05 Dan Bucks, Director, Montana Department of Revenue (DOR)

[EXHIBIT\(tah76a01\)](#)

[EXHIBIT\(tah76a02\)](#)

[EXHIBIT\(tah76a03\)](#)

00:25:26 Rep. Flynn left.

00:25:55 Rep. Flynn arrived.

00:28:58 Rep. Randall left.

00:29:05 Rep. Knudsen left.

00:29:44 Vice Chairman Miller arrived.

00:32:16 C.A. Daw, Chief Legal Councilor, DOR

**Informational Testimony:**

00:36:25 Karen Powell, Chairwoman, Montana State Tax Appeal Board (STAB)

**Questions from Committee Members and Responses:**

00:36:52 Rep. Barrett

00:37:05 Chairman Blasdel left.

00:37:44 Chairman Blasdel arrived.

00:37:53 Dir. Bucks

00:39:33 Mr. Daw

00:40:19 Rep. Barrett

00:40:30 Chairman Blasdel left.

00:41:05 Mr. Daw

00:42:20 Rep. Barrett

00:42:52 Mr. Daw

00:43:19 Rep. Barrett

00:43:31 Sen. Essmann

00:43:46 Rep. Williams

00:44:21 Dir. Bucks

00:44:38 Chairman Blasdel arrived.

00:45:18 Rep. Williams

00:45:33 Mr. Daw

00:45:38 Rep. Knudsen arrived.  
00:46:16 Rep. Williams  
00:46:28 Mr. Daw  
00:46:42 Rep. Williams  
00:47:11 Ms. Powell  
00:47:36 Rep. Phillips and Rep. Stahl left.  
00:48:23 Rep. Williams  
00:48:41 Ms. Powell  
00:51:57 Rep. Hoven  
00:52:17 Sen. Essmann  
00:52:40 Rep. Hoven  
00:52:50 Sen. Essmann  
00:53:06 Rep. Flynn  
00:53:45 Mr. Daw  
00:53:50 Rep. Williams left.  
00:53:52 Rep. McClafferty left.  
00:56:14 Rep. Flynn  
00:56:34 Sen. Essmann  
00:57:38 Rep. Flynn  
00:58:00 Sen. Essmann  
00:58:37 Rep. Malek  
00:59:10 Mr. Ebzery  
00:59:16 Rep. McClafferty arrived.  
00:59:56 Rep. Williams arrived.  
01:00:39 Rep. Malek  
01:00:50 Mr. Ebzery  
01:01:52 Rep. Malek  
01:01:56 Ms. Powell  
01:03:24 Rep. Malek  
01:03:42 Ms. Powell  
01:05:58 Rep. Fitzpatrick  
01:06:20 Mr. Daw  
01:08:44 Rep. Fitzpatrick  
01:09:13 Mr. Daw  
01:10:14 Rep. Fitzpatrick  
01:10:57 Dir. Bucks  
01:13:31 Vice Chairman Miller left.  
01:15:24 Rep. Fitzpatrick  
01:15:28 Rep. Malek left.  
01:15:48 Dir. Bucks  
01:16:52 Rep. O'Neil  
01:17:12 Mr. Ebzery  
01:18:12 Rep. O'Neil  
01:18:29 Mr. Ebzery  
01:18:43 Rep. O'Neil  
01:18:51 Vice Chairman Miller arrived.  
01:19:44 Rep. O'Neil  
01:19:50 Rep. Yates left.  
01:20:23 Ms. Powell  
01:20:43 Rep. O'Neil

01:20:59 Ms. Powell  
 01:21:22 Rep. Malek arrived.  
 01:21:41 Rep. Barrett  
 01:22:00 Ms. Powell  
 01:22:15 Rep. Barrett  
 01:22:20 Ms. Powell  
 01:23:08 Rep. Hoven  
 01:23:19 Rep. Knudsen left.  
 01:23:27 Mr. Daw  
 01:24:14 Rep. Williams  
 01:24:22 Rep. Randall arrived.  
 01:24:46 Ms. Powell  
 01:25:11 Rep. Williams  
 01:25:27 Ms. Powell  
 01:27:00 Rep. Yates arrived.  
 01:27:23 Rep. Phillips arrived.

**Closing by Sponsor:**

01:27:34 Sen. Essmann

01:30:25 Vice Chairman Miller and Rep. Malek left.  
 01:30:39 Rep. Malek and Vice Chairman Miller arrived.

**HEARING ON SJ 17**

**Opening Statement by Sponsor:**

01:31:15 Sen. Bruce Tutvedt (R), SD 3, opened the hearing on SJ 17, Interim study of valuing centrally assessed property for tax purposes.

**Proponents' Testimony:**

01:32:08 Nancy Schlepp, Montana Taxpayers Association  
 01:32:58 Tom Ebzery, Attorney, Puget, Portland General Electric, PacifiCorp, and Avista  
 01:33:54 Aimee Grmoljez, Verizon Wireless  
 01:34:36 David Gibson, Century Link

**Opponents' Testimony:** None

**Informational Testimony:**

01:35:03 Gene Walborn, DOR

**Questions from Committee Members and Responses:** None

**Closing by Sponsor:**

01:35:24 Sen. Tutvedt  
 01:35:44 Rep. McNally left.  
 01:36:54 Recessed  
 01:50:08 Resumed with Rep. Williams, Rep. Flynn, Rep. Malek, Rep. Taylor, Rep. Hale, Rep. Randall, Rep. Phillips, Rep. Knudsen, and Rep. McClafferty not present.

**HEARING ON SB 358****Opening Statement by Sponsor:**

01:50:25 Sen. Edward Buttrey (R), SD 13, opened the hearing on SB 358, Generally revise tax increment financing districts.

01:51:53 Chairman Blasdel left.

01:52:07 Rep. Flynn arrived.

01:53:19 Rep. Phillips arrived.

01:54:13 Rep. Taylor arrived.

01:54:27 Rep. Williams arrived.

01:54:32 Chairman Blasdel arrived.

**Proponents' Testimony:**

01:54:51 Joe Briggs, Cascade County Commissioner, Montana Association of County Officials, and Community Economic Development and Labor Committee

**EXHIBIT(tah76a04)**

01:58:32 Linda Stoll, Consultant, Missoula County

01:59:33 Rep. Fitzpatrick left.

02:00:30 Rep. Malek arrived.

02:01:06 Harold Blattie, Executive Director, Montana Association of Counties (MACo)

02:02:33 Chairman Blasdel left.

02:03:15 Alec Hansen, Montana League of Cities and Towns

02:03:30 Rep. Randall arrived.

02:04:10 Rep. McClafferty arrived.

02:05:02 Chairman Blasdel arrived.

02:05:05 Rep. Fitzpatrick arrived.

02:05:50 Ronda Wiggers, Great Falls Chamber of Commerce

02:05:55 Rep. Stahl arrived.

02:09:15 Evan Barrett, Chief Business Development Officer, Governor's Office of Economic Development (GOV)

**Opponents' Testimony:**

02:15:56 Kevin Nelson, self, Billings

**EXHIBIT(tah76a05)****Informational Testimony:**

02:25:16 Ed Caplis, Tax Policy and Research, DOR

**EXHIBIT(tah76a06)****Questions from Committee Members and Responses:**

02:27:51 Rep. Barrett

02:28:44 Sen. Buttrey

02:28:57 Mr. Briggs

02:30:36 Rep. Barrett

02:30:44 Mr. Caplis

02:31:43 Rep. O'Neil

02:32:18 Mr. Caplis

02:32:59 Rep. O'Neil

02:33:11 Mr. Caplis  
02:33:14 Rep. O'Neil  
02:33:22 Mr. Caplis  
02:34:05 Rep. Williams  
02:34:39 Sen. Buttrey  
02:35:03 Rep. Williams  
02:35:07 Rep. Randall left.  
02:35:11 Sen. Buttrey  
02:35:17 Rep. Williams  
02:35:21 Sen. Buttrey  
02:35:27 Rep. McNally  
02:36:12 Mr. Barrett  
02:36:48 Rep. McNally  
02:36:56 Mr. Barrett  
02:37:12 Rep. McNally  
02:37:20 Rep. Flynn  
02:38:28 Mr. Caplis  
02:38:51 Sen. Buttrey  
02:39:17 Rep. Randall arrived.  
02:40:19 Rep. Hoven  
02:40:58 Mr. Briggs  
02:41:07 Rep. Fitzpatrick left.  
02:41:41 Rep. Hoven  
02:41:55 Mr. Briggs  
02:42:13 Rep. Stahl  
02:42:41 Mr. Caplis  
02:43:15 Rep. Fitzpatrick arrived.  
02:43:22 Rep. Stahl  
02:43:36 Mr. Caplis  
02:43:42 Rep. Stahl  
02:44:20 Mr. Caplis  
02:44:29 Rep. Stahl  
02:44:45 Mr. Caplis  
02:44:52 Rep. Barrett  
02:45:42 Ms. Stoll  
02:47:13 Rep. Barrett  
02:48:16 Mr. Caplis  
02:48:31 Rep. Stahl  
02:48:41 Rep. Barrett  
02:48:50 Rep. Stahl  
02:49:13 Mr. Barrett  
02:50:33 Rep. Stahl  
02:50:48 Mr. Barrett  
02:52:21 Rep. Stahl  
02:53:07 Mr. Barrett  
02:54:21 Rep. Stahl  
02:55:08 Rep. O'Neil  
02:55:39 Rep. Malek

**Closing by Sponsor:**

02:55:58 Sen. Buttrey

**EXECUTIVE ACTION ON SB 295**

02:57:54 **Motion:** Rep. Miller moved that **SB 295 BE CONCURRED IN.**

02:58:26 **Motion:** Rep. Miller moved that **SB 295 BE AMENDED.**

**EXHIBIT**(tah76a07)

**Discussion:**

02:59:05 Rep. O'Neil

02:59:09 Rep. Barrett

03:00:44 Rep. Flynn left.

03:01:10 Rep. O'Neil

03:01:17 Rep. Barrett

03:01:59 **Vote:** Motion carried 15-1 by voice vote with Rep. Yates voting no, present and voting.

03:02:18 **Motion:** Rep. Miller moved that **SB 295 BE CONCURRED IN AS AMENDED.**

**Discussion:**

03:02:30 Rep. Phillips

03:02:55 Rep. Knudsen arrived.

03:03:30 Rep. Barrett

03:03:34 Rep. Knudsen left.

03:03:39 Rep. Yates left.

03:05:22 Rep. Stahl

03:06:02 Rep. Hoven

03:06:55 Mr. Martin

03:07:30 Rep. O'Neil

03:08:00 Rep. Barrett

03:08:25 Mr. Martin

03:08:50 Rep. Yates arrived.

03:09:00 Rep. Barrett

03:09:07 Mr. Martin

03:09:34 Rep. Barrett

03:09:50 Chairman Blasdel

03:10:18 Rep. Phillips

03:11:25 Rep. Barrett

03:12:16 Rep. Phillips

03:12:20 Rep. Barrett

03:13:38 Rep. Phillips

03:13:53 Rep. Knudsen arrived.

03:14:18 Rep. Knudsen left.

03:14:23 Rep. Barrett

03:14:55 Rep. Hoven

03:14:58 Rep. Flynn left.

03:15:16 Rep. Flynn arrived.

03:15:28 Vice Chairman Miller

03:15:42 Rep. Williams

03:16:12 Rep. Barrett

03:16:30 Rep. Taylor

03:17:11 **Vote:** Motion carried 18-0 by voice vote, present and voting. Rep. Knudsen voted by proxy. Rep. Taylor will carry the bill.

### **EXECUTIVE ACTION ON SB 371**

03:17:49 **Motion:** Rep. Miller moved that **SB 371 BE CONCURRED IN.**

03:18:30 **Motion:** Rep. Miller moved that **SB 371 BE AMENDED.**

**EXHIBIT**(tah76a08)

### **Discussion:**

03:18:35 Chairman Blasdel

03:18:45 Mr. Martin

03:22:40 Rep. McNally

03:23:10 Mr. Martin

03:23:39 Rep. McNally

03:23:48 Mr. Martin

03:24:07 Rep. Barrett

03:25:14 Rep. Phillips

03:25:56 Vice Chairman Miller

03:26:07 Rep. Phillips

03:26:17 Rep. Flynn

03:26:33 Rep. Phillips

03:27:35 Rep. Barrett

03:28:15 Rep. Williams

03:28:29 Rep. Barrett

03:28:45 Rep. Williams

03:29:18 Rep. Fitzpatrick

03:30:14 Rep. Williams

03:30:38 Rep. Randall

03:31:16 Rep. Fitzpatrick

03:31:59 **Vote:** Motion carried 10-8 by roll call vote with Rep. Barrett, Rep. Fitzpatrick, Rep. Hoven, Rep. Malek, Rep. McClafferty, Rep. McNally, Rep. Phillips and Rep. Williams voting no, Rep. Hale did not vote. Rep. Knudsen voted by proxy.

03:34:38 **Motion/Vote:** Rep. Miller moved that **SB 371 BE CONCURRED IN AS AMENDED.** Motion carried 12-6 by roll call vote with Rep. Barrett, Rep. Malek, Rep. McClafferty, Rep. McNally, Rep. Phillips and Rep. Williams voting no, Rep. Hale did not vote. Rep. Knudsen will carry the bill.

### **EXECUTIVE ACTION ON SB 372**

03:34:47 **Motion:** Rep. Miller moved that **SB 372 BE CONCURRED IN.**

03:35:17 **Motion:** Rep. Miller moved that **SB 372 BE AMENDED.**



**EXHIBIT**(tah76a09)**Discussion:**

03:35:39 Mr. Martin  
03:35:43 Chairman Blasdel  
03:35:53 Rep. Barrett  
03:36:02 Chairman Blasdel  
03:36:45 Rep. Malek  
03:36:58 Mr. Martin  
03:37:12 Rep. Malek  
03:27:28 Mr. Martin  
03:37:40 Rep. Flynn

03:38:08 **Vote:** Motion carried 17-1 by voice vote with Rep. Malek voting no, present and voting. Rep. Knudsen voted by proxy.

03:38:40 **Motion:** Rep. Miller moved that **SB 372 BE CONCURRED IN AS AMENDED.**

03:39:29 **Motion:** Rep. Miller moved that **SB 372 BE AMENDED.**

**EXHIBIT**(tah76a10)**Discussion:**

03:38:34 Rep. Randall left.  
03:38:35 Chairman Blasdel  
03:39:35 Mr. Martin  
03:40:52 Rep. Randall arrived.  
03:43:21 Rep. Malek  
03:43:40 Mr. Martin  
03:44:35 Rep. Malek  
03:44:40 Rep. Williams  
03:44:59 Mr. Martin  
03:45:20 Rep. Williams  
03:45:31 Rep. Barrett  
03:46:19 Rep. Williams  
03:46:35 Mr. Martin  
03:46:44 Rep. McNally  
03:47:11 Rep. Barrett  
03:48:13 Rep. Williams  
03:48:34 Mr. Martin  
03:48:51 Rep. Williams  
03:48:58 Rep. Phillips  
03:49:08 Mr. Martin  
03:49:35 Vice Chairman Miller  
03:49:48 Mr. Martin  
03:50:10 Rep. Malek  
03:51:54 Rep. Barrett  
03:53:15 Mr. Martin  
03:53:59 Rep. McNally left.  
03:54:13 Rep. McClafferty

03:54:47 Rep. Stahl  
03:55:31 Mr. Martin  
03:56:36 Rep. Stahl  
03:57:43 Rep. McNally arrived.  
03:58:18 Mr. Martin  
03:58:57 Rep. Williams  
03:59:29 Rep. Stahl  
03:59:43 Rep. Barrett  
04:00:39 Chairman Blasdel  
04:00:44 Rep. Stahl  
04:00:52 Mr. Martin  
04:02:04 Rep. Barrett  
04:03:10 Chairman Blasdel  
04:03:35 Rep. Barrett  
04:04:07 Mr. Martin  
04:06:44 Rep. Barrett  
04:06:48 Chairman Blasdel  
04:07:21 Rep. Barrett  
04:07:46 Rep. Phillips  
04:07:55 Rep. McNally  
04:08:08 Mr. Martin  
04:09:01 Rep. McNally  
04:09:16 Chairman Blasdel  
04:09:43 Rep. Barrett  
04:09:59 Rep. Taylor  
04:10:15 Chairman Blasdel  
04:10:40 Rep. Taylor  
04:10:57 Vice Chairman Miller  
04:11:34 Chairman Blasdel  
04:12:29 Rep. Malek  
  
04:12:59 **Vote:** Motion carried 15-3 by roll call vote with Rep. Malek, Rep. McClafferty and Rep. Stahl voting no, Rep. Hale did not vote. Rep. Knudsen voted by proxy.  
  
04:14:01 **Motion:** Rep. Miller moved that **SB 372 BE CONCURRED IN AS AMENDED.**  
  
**Discussion:**  
04:14:36 Rep. Barrett  
  
04:16:55 **Vote:** Motion carried 11-7 by roll call vote with Rep. Barrett, Rep. Malek, Rep. McClafferty, Rep. McNally, Rep. Phillips, Rep. Stahl and Rep. Williams voting no, Rep. Hale did not vote. Rep. Knudsen voted by proxy.  
  
04:18:25 Chairman Blasdel

**ADJOURNMENT**

04:18:47      Adjournment: 12:20 p.m.

---

Lisa Adams, Secretary

la

**ADDITIONAL EXHIBITS:**

**[EXHIBIT](#)**(tah76a11)

Additional Documents:

**EXHIBIT**([tah76aad.pdf](#))